AIR POUCH — PRIORITY — UNCLASSIFIED — PAGE 1

FOREIGN SERVICE DESPATCH

FROM: AMEMBASSY, GUATEMALA — DESP. NO. 799 — Action Taken — DATE March 13, 1953

TO: THE DEPARTMENT OF STATE, WASHINGTON.

REF: F790001-1316

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	INFO	OTHER ARMY NAVY AIR CIA CSD

SUBJECT: Joint Weeka No. 11 for State, Army and Air Departments from S - Section I

The past week was one of unusual quiet in Guatemalan politics. President ARBENZ sent official condolences to the Soviet Presidium on the death of Stalin saying the Guatemalan people and Government grieved the loss of the Premier of a "friendly country", the Guatemalan Congress observed a minute of silence and the Guatemalan Labor (Communist) Party and the Communist-controlled CGTG labor federation publicly expressed their sense of loss. Congress meanwhile organized its special and standing committees, again awarding the chairmanships of the Special Committees on Agrarian Reform and the Revision of the Labor Code to Communist Deputies, Sres. Víctor Manuel GUTIERREZ and José Alberto CARDOZA respectively. The local Communist-inspired celebration of "International Women's Day", March 8, was relatively inconspicuous, although it received half-page publicity in the Government's Diario de Centro América and part of the ceremonies were held in a Government school.

The local manager of the United Fruit Company, Mr. Almyr Lake BUMP, petitioned the Guatemalan Supreme Court for an injunction against President Arbenz' order confirming the expropriation of 207,000 acres of the company's land under the Agrarian Reform Law (Weeka 10). He contended that the land was exempt from the law, that the compensation set was too low since the Government itself had failed to act on the company's 1948 request for a higher tax valuation and that 3% 25-year Agrarian Bonds did not constitute effective compensation since their cash value would be less than their face value. The Court has not made a ruling, but it will be recalled that the Supreme Court's action in granting a similar injunction to a private planter, Sr. Ernesto LEAL Pérez, resulted in the removal of four Justices by Congress (Weeka 7).

In the field of foreign affairs, Dr. Koh CHIBA, Commercial Counselor of the Japanese Embassy in Mexico City, visited Guatemala at the head of a trade mission and discussed trade

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promotion with the Guatemalan Foreign Office and Government economic agencies. There was speculation concerning the possible establishment of diplomatic relations and a trade treaty but both the Japanese and Guatemalan officials gave newspaper reporters the impression that no decision had been made. Japanese imports into Guatemala are at a considerable disadvantage since they are subject to a surcharge amounting to 100% of the normal duty due to Guatemala's unfavorable trade balance with Japan.

William L. Krieg
Charge d'Affaires ad interim

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